



“AFRC ACQUISITION SURVIVAL INTRODUCTORY COURSE”

April 2001





INTRODUCTORY REMARKS

AFRC/XPR OL-S

Purpose of this course:

To prepare the reservist to deal with the acquisition community, to provide an understanding of the requirements process, and to insure that the AFRC's needs and desires are met.



WHO ARE THE INSTRUCTORS?

Thomas Bahan

**Major Christopher
Hoskins**

Paul Tofte





WHO ARE THE INSTRUCTORS?

THOMAS E. BAHAN

- **8 years R&D Contracting Officer**
- **7 years (69-76) F-15 Contracting and DPML**
- **2 years KC-10 Business Manager Deputy Program Director**
- **2 years TR-1 Program Director**
- **2 years Director AFLC Computer Modernization**
- **10 years President Small Business**



WHO ARE THE INSTRUCTORS?

CHRISTOPHER HOSKINS

- **5 years Program Manager, Level III**
- **5 years Test Manager (T&E Level III)**
- **2 years Deputy Division Chief**
- **B.S., Aeronautical Engineering**
- **M.S., Systems Management**



WHO ARE THE INSTRUCTORS?

PAUL TOFTE

- **25 years AF Acquisition**
- **30 years Computer Systems Management and Engineering**
- **8 years Lead Computer Systems Manager Stealth Programs**
- **8 years Operations Management for Computer Systems Firm**
- **8 years Director of Information Technology in Education and Industry**



COURSE SCHEDULE

**Speer/Bahan
Stage**

Introductions, Setting the

**Hoskins
Acquisition**

The Reservist in

Bahan

The Requirements Process

Break

Bahan

RFP Prep

Bahan

Source Selection

Lunch



COURSE SCHEDULE

(contd.)

Tofte/Osborn

Use of Information Technology

Break

Hoskins

Program Execution

Bahan

The Contract

Speer

Wrap-Up



SETTING THE STAGE

- **The Air Force Acquisition Process**
- **The Air Force Reserves Role**
- **Your Role**



WHAT IS PROGRAM SUCCESS

- **Hardware Delivered on Time**
- **Within Budget**
- **Performs as contracted for**
- **Is logistically supportable**

Never said it had to work.



AIR FORCE RESERVE HAS SEEN AN INCREASED LEVEL OF PARTICIPATION BY AFRC IN THE ACQUISITION PROCESS

- **Requirements generation**
- **Industry Days**
- **Acquisition strategy panel**
- **Source Selection**
- **Follow-on involvement during
program execution**



WHO/WHAT IS THE ACQUISITION COMMUNITY



PEOPLE

Regulations

**Little Old Lady in Tennis Shoes to
Jim Fain**

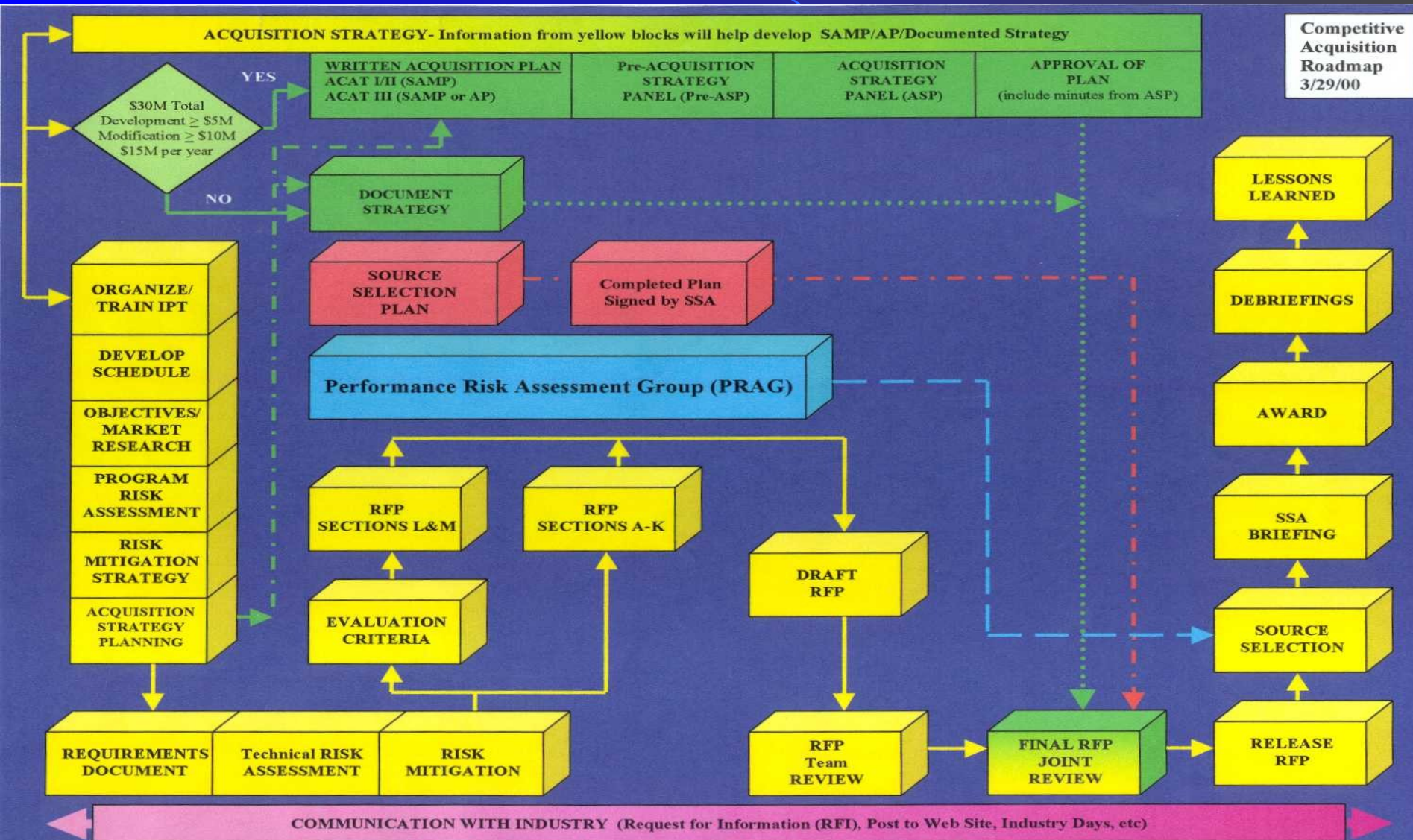


ACQUISITION ORGANIZATIONS

- **SPO - System Program Office**
 - 20 to 500 people
- **IPT - Integrated Product Teams**
 - 6 to 20 people



Competitive Acquisition Roadmap



HERE

ONE WAY

START

Initial Meeting



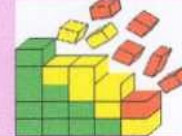
Effective IPT



Market Research



Risk Management



Acquisition Planning



Post Award

Lessons Learned

CPARs



Debriefings



Contract Award



Source Selection

Critical Steps To A Successful Acquisition



Requirements



Requirements
Risk Analysis



Final RFP



Draft RFP



Evaluation
Criteria



Start RFP

As of: 4/03/00

COMPETITIVE PROCESS



CONTRACTING ENVIRONMENT

- **Federal constitution**
- **Statutes, acts of congress, public laws**
- **Executive orders**
- **Decisions**
 - **Courts**
 - **Administrative agencies**
- **Regulations**



BACKGROUND: HOW THE GOVERNMENT DOES BUSINESS

- **The American way: baseball, hot dogs, apple pie and competition**
- **Competition for systems/subsystems is conducted by source selection.**
- **Source selection competition comes in three flavors.**
 - **Technical**
 - **Management**
 - **Price**
- **How does this relate to Truth In Negotiations Act (TINA). If there is real price competition TINA does not apply (sometimes).**



BACKGROUND: HOW THE GOVERNMENT DOES BUSINESS

Other characteristics of government contracts

- **Contract financing**
 - CPFF, CPIF **Current reimbursement**
 - FPI, FFP **Progress payments**
- **Government property**
 - GFE
 - GFM
- **Specific compliance is required**
 - Level playing field
- **The “process” is as important as the product**



FEDERAL ACQUISITION REGULATION (FAR)

- **Government wide procurement regulation**
- **Far Codified Chapter 1, Title 48 CFR**
- **Supplemented by agencies**



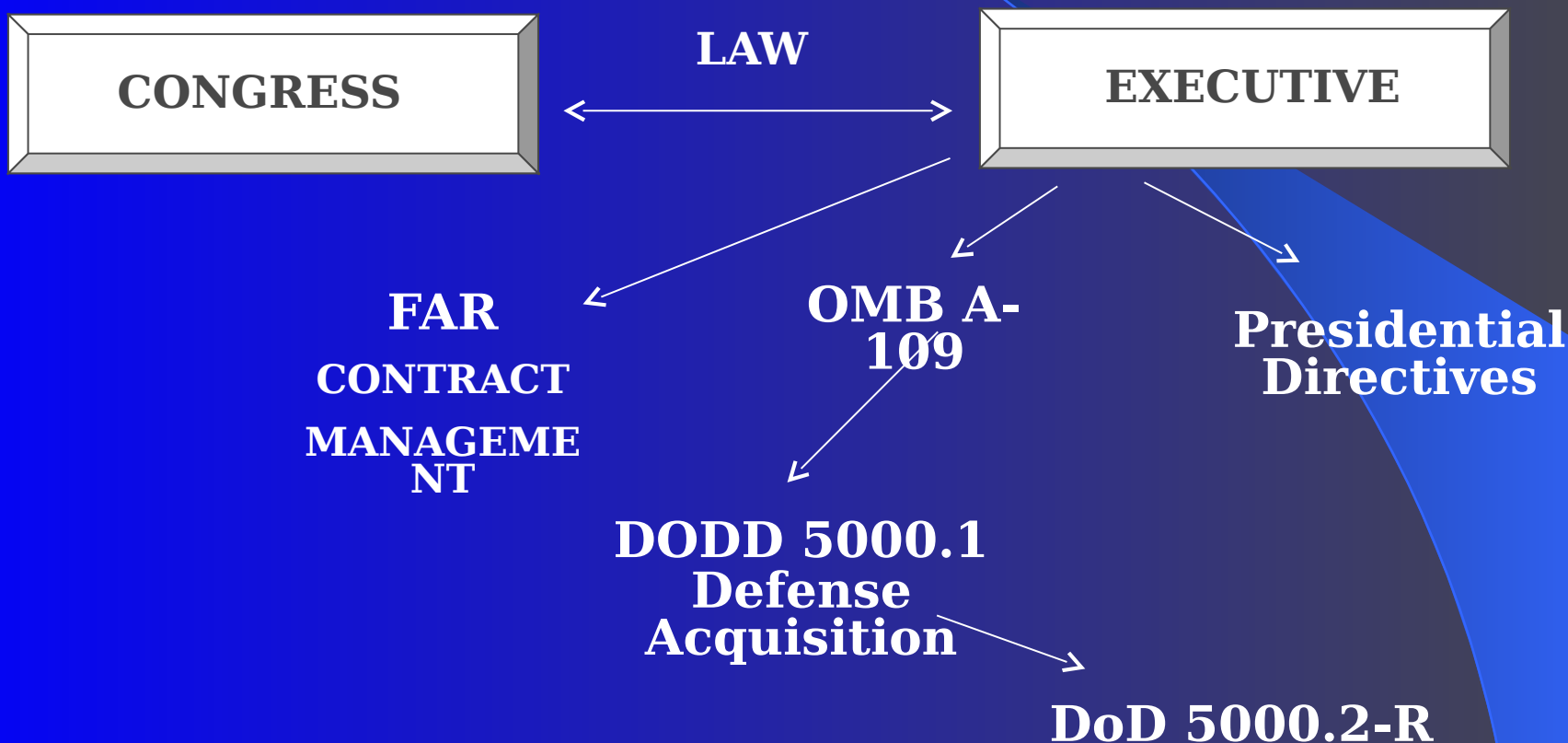
FEDERAL ACQUISITION REGULATION (FAR)

- **Primary directive for contracting and procurement.**
- **Applies to acquisition of all systems, goods and services.**
- **Impacts on Program Management**
 - **Acquisition planning**
 - **Competition**





REGULATIONS FLOW



DODD 8000.1 has some applicability. (Mandatory Procedures for Major Defense Acquisition Programs (NDAPs) and Major Automated Information System (MAIS) Acquisition Programs)



SPENDING TERMS

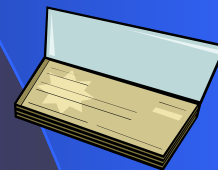
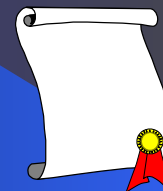
Budget Authority **Permission by Congress to legally incur**

debt

Commitment **An administrative reservation of funds**

Obligation **A legal reservation of funds**

Expenditure **When government check is issued**

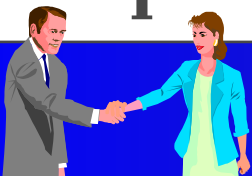




"EVERYDAY" EXAMPLE

Budget
Authority

**Credit
Card
Approval**



Commitment

**Select
Item to
Purchase**



Obligation

**Purchase
Item
w/Credit
Card**



Expenditure

**Write
Check
for
Credit
Card Bill**



Outlay

**Your
Check
Clears**





FAR PART 1 - CONTRACTING AUTHORITY AND RESPONSIBILITIES

Constitution - Article 1, Section 9

**“No Money Shall Be Drawn From the Treasury,
but in Consequence of Appropriations Made
by Law...”**

**Constitution provides authority of government
as sovereign to enter into contracts**

Statutes provide specific:

- Directives**
- Procedures**
- Funds**



FAR PART 1 - CONTRACTING AUTHORITY

- ***AUTHORITY*** - Heads of Each Executive Department (Implied).
- ***DELEGATIONS*** - 10 U.S.C. 2311 - "The head of an agency may delegate, subject to his direction, to any other officer or official at that agency any power under this Chapter..."

**CONTRACTING OFFICERS - WARRANTED
AGENTS of the
UNITED STATES OF AMERICA**



CONTRACTING OFFICERS

- **PCO - Procuring Contracting Officer**
 - Buyers
- **ACO - Administrative Contracting Officer**
- **TCO - Terminating Contracting**
- **COR - Contracting Officers Representative**



CONTRACTING METHODS*

SEALED BID

- Service/Product requirement is well defined
- Adequate competition and time
- Contract award based solely on price and price related issues
- No discussions
- IFB required

PROPOSAL

- Service/Product requirement is not well defined
- Competition or Sole Source
- Contract award based on evaluation criteria
- Discussions/negotiation usually required
- RFP required

*Acquisition reform may sponsor new/hybrid solicitation methods!



FIXED PRICE CONTRACT

- **Firm requirement**
- **Well defined scope**
- **Guaranteed delivery**
- **Paid on delivery**
 - **Interim Progress Payments Possible**
- **Profit based on performance or cost control**





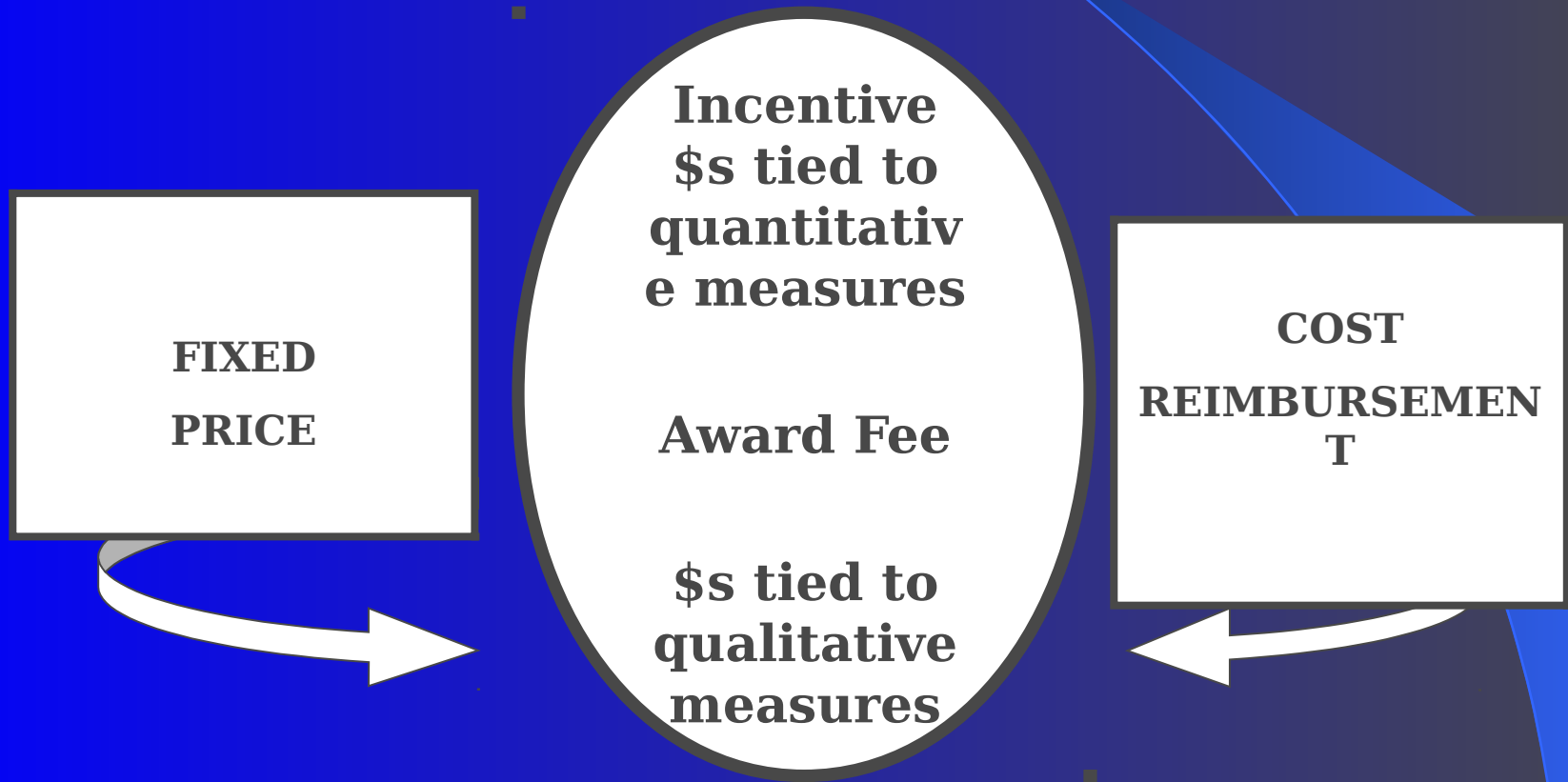
COST REIMBURSEMENT CONTRACT

- **High risk (government)**
- **Performance requirements
vs. existing product**
- **Best effort**
- **Paid as cost incurred**
- **Fee or fee formula agreed
in advance**
- **RFP only, cannot be an IFB**





MANY OTHER TYPES OF CONTRACTS





SUMMARY

- **The Reserves have a role**
- **Acquisition is:**
 - **Laws,**
 - **Regulations,**
 - **Processes and,**
 - **People**
- **Contracts come in many flavors**